TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 3, 2003

TO: Internal File

THROUGH: Karl R. Houskeeper, Environmental Scientist III, Team Lead

FROM: Wayne H. Western, Environmental Scientist III/Engineering,

RE: 2003 Midterm Review, UtahAmerican Energy, Inc., Horse Canyon Mine,

C/007/013, Task ID #1750

SUMMARY:

The Division is required to review each active permit during its term, in accordance with R645-303-211. A Midterm Review takes place at the midpoint of the permit term (November 6, 2003 for the Horse Canyon Mine) and covers pertinent elements. The Division is currently conducting the Midterm Review for the Horse Canyon Mine. The pertinent element chosen for review that focuses on biology is the following:

A review to ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval (One area of emphasis is to ensure compliance with the U. S. Fish and Wildlife Windy Gap Process).

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

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Determination of Bond Amount

The current bond for the Horse Canyon Mine is \$2,809,000; of that amount \$1,061,328 is for the part of Horse Canyon that is under reclamation. An additional \$1,556,000 is for the proposed Lila Canyon addition. The work needed for Phase III bond release consists most of vegetation success and maintenance. The amount of bond for the part of Horse Canyon under reclamation is adequate.

The Division has not yet approved the Lila Canyon addition. Before approval, the Permittee must submit a revised MRP. The Division will evaluate the bond as part of the review and make adjustments as needed.

Findings:

The information in the MRP is adequate to meet the minimum requirements of this section of the regulations.

RECOMMENDATIONS:

Approve the Midterm Review.

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